

From: J <jeevacation@gmail.com>

To: Paul Barrett <[REDACTED]>

Subject: Re: A few things

Date: Wed, 17 Oct 2018 22:03:32 +0000

Attachments: image003.png; image004.jpg

Inline-Images: image004(1).jpg; image003(1).png

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On Wed, Oct 17, 2018 at 4:46 PM Paul Barrett <[REDACTED]> wrote:

Jeffrey

1. We own \$2MM of JBS 7.75% 2020 bonds. We paid 102.58 in May 2018. Company is tendering for the bonds at 102.30. Bonds currently trading around 102.00.
 - Implies a YTC of 2.84%
 - If we don't tender and they never call the bonds we end up with a 6.51% YTM
 - This is a high quality bond. The company continues to de-lever and should be down to <4x leverage by next year. **I think we should keep the bonds** as I do not believe they will call the outstanding balance once the tender is complete and we end up with a 6.51% YTM. Liquidity might dry up but we would plan to hold to maturity.

2. TRY up 3.30% since Monday. Forward points have also come in implying 1yr rates of 27.50%.
 - We could consider selling 6 month 6.000 TRY Puts that Knock Out at 5.2500. Premium ~ 6.35% vs a vanilla which pays around 8.20%.
 - Red Line in chart below is the Knock Out Level. Would require a 6% move from here to KO.
 - Breakeven of USDTRY at 6.3800 at expiry.

3. Visa
 - Stock is down 5% since September
 - Secular shift from cash to checks continues
 - Visa Europe benefitting from cost synergies most acquisition
 - EM growth story continues
 - I think we should use this pullback to build a position in a high quality name.



Paul Barrett

Alpha Group Capital LLC



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please note

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